

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
OF THE CITY OF MIAMI BEACH
April 10, 2012

Chairman Boyd called the meeting to order at 10:15 a.m.

Board Members present were as follows:

James Boyd		Hilda Fernandez
Jorge Gomez	Warren Green	Reinaldo Horday
Richard McKinnon	Jonathan Sinkes	Patricia Walker

Members absent - Jose Cruz

Also present were:

Steve Cypen	Legal Counsel
Rick Rivera	Pension Administrator
Robert Martinez	Assistant Pension Administrator
Bill Cottle	Fund's Consultant via conference call

The Administrator requested that Item C-8, Two (2) year buyback requests, be separated for discussion.

A motion was made by Mr. Gomez duly seconded by Ms. Walker, and with all in favor it was unanimously

RESOLVED that the consent agenda be approved as
presented less Item C-8, Two (2) year buyback
requests.

The Administrator said that Ms. Fernandez had a question regarding several two (2) year buyback applications. He provided additional backup to the Board and stated that the additional backup established that three (3) of the four (4) applications in question were satisfactory and met the requirements of the buyback. He said that there was a question with the application of employee Humberto Cabanas.

He said that Mr. Cabanas was applying for a two (2) year buyback for previous time worked at Miami Dade County Public Schools (MDCPS). He said that Mr. Cabanas had belonged to the defined contribution plan (401(a)) while employed at MDCPS. The Administrator said that Mr. Cabanas had informed Robert Martinez that he had received a distribution from his MDCPS 401(a) retirement plan. A discussion ensued.

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Mr. Cypen said that since Miami Dade County is an employer contributory pension plan, Mr. Cabanas received a benefit from the Florida Retirement System at the time he received a distribution. Ms. Walker suggested that the two (2) year buyback application be clearer regarding a previous employee's prior service and membership in a 401(a) retirement plan.

A motion was made by Mr. McKinnon duly seconded by Ms. Fernandez, and with all in favor it was unanimously

RESOLVED that employee Humberto Cabanas' two (2) year buyback be deferred until Mr. Cabanas can provide additional backup for another previous employer that he may qualify for.

A motion was made by Mr. McKinnon duly seconded by Mr. Green, and with all in favor it was unanimously

RESOLVED that consent agenda item C-8, Request for two (2) years of additional creditable service, be approved as presented less Mr. Humberto Cabanas' application.

CONSENT AGENDA

C-1 The Minutes of the February 14th and March 13th 2012 board meetings were approved as presented.

C-2 New Members were approved as follows -

<u>NAME</u>	<u>ID #</u>	<u>CLASSIFICATION</u>	<u>Union</u>	<u>HIRE</u>
Linda Blanco	19981	Insp. Services Coord.	UNC	3/19/2012
Antonio Gonzalez	19943	Bldg. Oper. Mgr.	UNC	3/12/2012

C-3 New Retiree Allowances were approved as follows -

<u>Name</u>	<u>Date</u>	<u>Retirement Type</u>	<u>Monthly Amount</u>
Valarie Hanson	5/01/2012	Ordinary Ret. from DROP	\$ 1,422.55
Lisa Martinez	4/01/2012	J&S 66.67%	\$ 4,584.00
Robert Parcher	5/01/2012	Ordinary Ret. from DROP	\$ 7,652.54

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C-4 New Pensioner Allowances were approved as follows -

	Date of		Dependent	
<u>Name</u>	<u>Retirement</u>	<u>Ret. Type</u>	<u>upon</u>	<u>Amount</u>
Charity Latt	4/01/2012	50% Contin.	Christopher Latt	\$815.00
Theresa Sollitto	4/01/2012	50% Contin	Antone Sollitto	\$1,515.64

C-5 Requests for Lump Sum Refunds were approved as follows -

<u>Name</u>	<u>Separation</u>	<u>Amount</u>	<u>Reason</u>
	<u>Date</u>		
Janette Fernandez	04/06/2012	\$13,001.97	Resignation
Ashlei Hodges	03/23/2012	\$ 6,315.44	Resignation
Mark Ray	04/03/2012	\$ 3,502.63	Resignation

C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

C-7 Purchases of Creditable Service Time were approved as follows

		YEAR	HOURS	CASH	Total
<u>NAME</u>	<u>DATE</u>	<u>PURCHASED</u>	<u>USED</u>	<u>USED</u>	<u>Buyback \$</u>
Jason Casanova	4/2/2012	0.50	115.91	\$ 2,557.75	\$ 2,577.75
Norbert James	4/2/2012	0.52	105.43	\$ 2,957.97	\$ 2,957.97
Omar Monzon	3/19/2012	0.50	105.54	\$ 1,994.89	\$ 1,994.89

C-8 Request for up to Two (2) years of additional creditable service were approved as follows -

	Prior	Employer	Application	Creditable		
	Sworn	Private	Prior	Questionnaire	Resume or	Service
<u>Employee Name</u>	<u>Statement</u>	<u>Sector</u>	<u>Gov't</u>	<u>Form</u>	<u>Add'nl</u>	<u>Applying</u>
					<u>back-up</u>	<u>for</u>
Manuel Cortinas	x		x	x	x	1.5
Michelle Cullen	x		x	x	x	2.0
Andrew Lindberg	x		x	x	x	2.0
Fidel Miranda	x	x		x	x	2.0
Aida Rodriguez	x	x		x	x	2.0
Frank Rodriguez	x	x		x	x	2.0
Olga Sanchez	x	x		x	x	2.0
Shirley Thomas	x	x		x	x	2.0
Thais Vieira	x	x		x	x	2.0

C-9 DROP applicants were approved as follows - (None)

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**C-10 Lump Sum Refunds Paid since the last meeting
were approved as follows -**

<u>DATE</u>	<u>NAME</u>	<u>CK#</u>	<u>AMOUNT</u>
3/2/2012	Lump Sum- Michael Rigual	113120	\$ 9,201.87
	945 Tax Deposit	xxxxx	\$ 2,300.41
3/19/2012	Lump Sum- Andres Villarreal*	113143	\$ 45,117.40
	945 Tax Deposit		\$ 11,279.34
3/19/2012	IRA Rollover- Charles Carreno	113144	\$ 26,375.87
3/19/2012	Lump Sum- Darin Russell	113145	\$ 42,151.71
	945 Tax Deposit	xxxxx	\$ 10,537.92

C-11 The Financial Reports were approved as presented.

C-12 Requests for Payment

ADMINISTRATIVE EXPENSES

Legal

Steve Cypen- Legal Services

Legal services rendered for the month of April 2012 \$ 5,000.00

Bookkeeping

Joan Wall- Bookkeeping

services rendered for the month of April 2012 \$ 350.00

Auditors

Goldstein Schechter Koch- Auditors

Examination of financial statement s for PY ending 9/30/11 \$ 7,350.00

Actuary

Gabriel Roeder Smith – Fund Actuary

10/1/2011 Valuation in progress billing \$ 1,474.00

Computer Consultant

Ellen Schaffer- Transoft annual license fee

Invoice # 2506 dated 3/12/12 \$ 62.00

Medical Board

Medical Records- Jesse Basadre, MD

Request for medical records for disability applicant Frank Rodriguez \$ 16.00

Office, etc.

Copier - Sharp Lease

Monthly copier fees per inv.# \$ 228.56

Office Supplies- Office Depot

Per invoice # 601828337001 \$ 73.04

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Office Supplies- Tampa Envelope

Envelopes for office per inv.# 73209	\$	185.80
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Printing & Postage- Comet Courier

Per inv. # J10648 dated 3/31/12	\$	39.70
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Investment Consultant Fees

Milliman, Inc. - Consulting Services

Jan.-Mar. 2012 invoice dated 3/20/12	\$	15,100.00
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C-13 Requests for Payment (Conferences)

(1) Conf. & Education - Hilda Fernandez

Travel expense reimbursement for FPPTA Trip to Wall Street	\$	497.26
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Dues & Membership- FPPTA

CPPT re-certification fee for Hilda Fernandez	\$	30.00
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CONSENT AGENDA

R-1 Deferred Items - (None)

A. Revised Investment Policy - Mr. Cottle, via conference call, reviewed the updated language to the guidelines including the proposed new language allowing the Fund to invest in emerging markets and the inclusion of a bond downgrade policy. The Board recommended several minor changes to section 5.4(8) of the guidelines. Mr. Cottle said that he would make the necessary changes to the draft investment guidelines and send a copy to the Administrator. Mr. Cypen advised the Administrator to distribute an approved copy of the guidelines to the City Clerk's office, the Fund's Actuary and the Florida Division of Retirement.

A motion was made by Mr. McKinnon duly seconded by Mr. Green, and unanimously

RESOLVED that the revised investment guidelines be approved as amended.

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- B. Email from Administrator to Bill Cottle regarding WHV emerging markets fund - Chairman Boyd said that the Administrator had contacted him after the February board meeting and advised him that he had not completed the \$10 million shift from the Rhumblin ADR to the WHV emerging markets fund as directed by the Board. He said that he had advised the Administrator to defer the transfer because there was no provision in the investment guidelines to invest in emerging markets.

Chairman Boyd said that he had several follow up questions regarding emerging markets that he had instructed the Administrator to get responses for from Bill Cottle. Mr. Cottle, via conference call, addressed the questions and concerns that Chairman Boyd had brought up regarding liquidity, liquidation expenses and the risk/reward analyses of the emerging markets fund. A discussion ensued regarding the motion that was made at the February 14, 2012 board meeting to transfer \$10 million from the Rhumblin ADR account to a new WHV emerging markets account.

A motion was made by Mr. McKinnon duly seconded by Ms. Fernandez, and unanimously

RESOLVED that the February 14th, 2012 motion to transfer \$10 million from the Rhumblin ADR account to a new WHV emerging markets account be rescinded due to the revision of the investment guidelines.

R-2 New Items -

- A. Asset Allocation and ICC performance by Richard McKinnon - Mr. McKinnon discussed the recent poor performance of ICC. He felt that it was time to allocate a percentage of ICC's investment to a large cap growth manager. A discussion ensued regarding ICC's short and long term performance and the need for a large cap active manager.

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A motion was made by Mr. McKinnon to allocate a percentage of ICC's assets to a large cap growth manager. The motion was not seconded.

A motion was made by Mr. McKinnon to commission a manager search for a large cap growth manager. The motion was not seconded.

Mr. Cottle suggested that the Board defer any action on ICC until next month's meeting so that he could provide the Board the latest performance results for ICC. Ms. Fernandez requested that Milliman Inc. provide year-to-year as well as aggregate historical figures for ICC's performance as of 3/31/2012. A discussion ensued regarding ICC's investment performance and possible termination. Mr. Boyd requested that Mr. Cottle provide the Board a list of large cap managers that have outperformed their respective benchmarks. Mr. Cottle said that he would provide a list at next month's investment board meeting.

- B. Letter from the Florida Division of Retirement (DOR) accepting the 10/1/2009 & 10/1/2010 Actuarial Valuations - The Administrator updated the Board on the acceptance of the 10/1/2009 & 10/1/2010 Actuarial Valuations by the DOR. He said that last month he and Mr. Palmquist had provided responses to the DOR regarding the non-acceptance of the 10/1/2009 and 10/1/2010 valuations per the DOR's letter dated 3/1/2012. No action was taken.

R-3 Other Business

- A. Administrator's Report - The Administrator said that he had received confirmation from Steve Palmquist that GRS would be presenting the 10/1/2011 actuarial valuation at the May 8, 2012 board meeting.

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R-4 For Your Information

Chairman Boyd and Mr. Cypen reviewed For Your Information.

There being no further business to discuss, a motion was made by Mr. McKinnon duly seconded by Ms. Walker and unanimously

RESOLVED That the meeting be adjourned. The meeting was adjourned at 11:32 a.m.

James Boyd, Chairman

Hilda Fernandez, Secretary